

## Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-05 NSCE-00 INR-05

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FM AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: EFIN, AR

SUBJ: AMBASSADOR'S MEETING WITH ARGENTINE CENTRAL BANK PRESIDENT  
RICARDO CAIROLI

REF: STATE 014319

1. ON JAN 27 I MET WITH CENTRAL BANK PRESIDENT RICARDO CAIROLI, ACCOMPANIED BY ECON COUNSELOR AND FINOFF. I SOUGHT INTERVIEW PRIMARILY TO INCREASE EMBASSY'S POSITIVE CONTACT WITH CURRENT ECONOMIC TEAM. WHILE PRIMARILY PROTOCOL VISIT, DR. CAIROLI WAS MOST CORDIAL AND EXPRESS SATISFACTION OVER RESULTS GOMEZ MORALES' RECENT VISIT TO US.

2. DURING DISCUSSION, ISSUE OF LOW ARGENTINE CREDIT RATING IN US WAS INTRODUCED. DR. CAIROLI SAID GOMEZ MORALES HAD DISCUSSED PROBLEM IN WASHINGTON WITH SENIOR US OFFICIALS, INCLUDING FRB CHAIRMAN ARTHUR BURNS, REPORTEDLY RECEIVING SOME ASSURANCE THAT MATTER WOULD BE RESOLVED. DR. CAIROLI SAID HE UNDERSTOOD LOW RATINGS PRIMARILY BASED ON REPORTS OF VIOLENCE AND TERRORISM HERE WHICH DISTORTED IN US. HE ADDED IT VERY DIFFICULT FOR ARGENTINA TO DEFEND ITSELF FROM "SECRET CREDIT RATINGS" WHICH MAINTAINED BY FINANCIAL AND OTHER ENTITIES. I TOLD DR. CAIROLI EMBASSY FULLY APPRECIATED GOA CONCERN, AND PREPARED TO BE HELPFUL WHERE POSSIBLE.

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3. ON OTHER SUBJECTS, DR. CAIROLI CONFIRMED HE INTENDED HEAD CENTRAL BANK MISSION TO WEST EUROPE IN NEAR FUTURE TO DISCUSS VARIOUS FINANCIAL ISSUE. IN RESPONSE TO MY QUESTION, HE SAID RELATIONS BETWEEN CENTRAL BANK AND US BANKING COMMUNITY CLOSE AND CORDIAL. ON SUBJECT OF POSSIBLE NEW INVESTMENT BANK, DR. CAIROLI SAID GOA CONSIDERING SEVERAL PROPOSALS - MENTIONING SPECIFICALLY THOSE OF CHASE AND FIRST NATIONAL CITY BANK. HE FELT BALANCE OF PAYMENTS PROSPECTS WERE GOOD FOR 1975, ALTHOUGH CURRENT ACCOUNT SURPLUS LIKELY TO BE SOMEWHAT BELOW 1974.

4. COMMENT: GOA CONTINUES TO BE VERY SENSITIVE REGARDING ITS CREDIT IMAGE ABROAD. CAIROLI'S GENERAL LINE WAS SIMILAR TO ONE FOLLOWED BY GOMEZ MORALES IN MEETING WITH UNDER SECRETARY ROBINSON (REFTEL). BELIEVE CONTINUED CLOSE CONTACT WITH ARGENTINE EMBASSY IN WASHINGTON ON THIS ISSUE MAY BE HELPFUL IN AVOIDING FUTURE MISUNDERSTANDINGS.

5. ACTION REQUESTED: SINCE POINT MAY COME UP AGAIN IN MY FUTURE MEETINGS WITH GOMEZ MORALES, WOULD APPRECIATE SOME BACKGROUND INFORMATION AS FOLLOWS: (1) WHAT IS CURRENT EXIM COUNTRY RATING FOR ARGENTINA? WHAT IS RATIONALE BEHIND RATING? HOW DOES RATING AFFECT EXIM ACTIVITY HERE (EXPOSURE, TERMS, GUARANTEES)? DOES RATING AFFECT PRIVATE COMMERCIAL BANK OPERATIONS IN ANY WAY? (2) ARE THERE OTHER USG RATINGS OR REPORTS (FRB, COMPTROLLER OR CURRENCY, NACT, ETC.) THAT MIGHT ADVERSELY AFFECT ARGENTINA'S EXTERNAL CREDIT SITUATION?  
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## Message Attributes

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**To:** STATE  
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